



State Of Connecticut Labor and Public Employees Committee  
Public Hearing  
Tuesday, Feb. 18, 2014

Testimony presented by:  
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Good afternoon, distinguished state legislators, town officials and others in today's audience.

First, let me introduce myself: My name is George Frantzis II. I am an owner of Quassy Amusement & Waterpark in Middlebury. Our seasonal property is rich in history and tradition, celebrating our 106<sup>th</sup> year of operation and having been owned by my family since 1937.

Like any other surviving small business in the state, we have seen the good times as well as the challenging ones.

Today, we are faced with the grim facts that operational costs are skyrocketing, businesses and families continue to leave the state and higher tax burdens are levied on those left in the wake.

With roughly only 100 days of operation for our business to generate cash flow to support a full-time, year-round staff of 12 and approximately 375 seasonal workers, the topic of Connecticut's minimum wage is one in which some valid arguments must be heard in regard to the small business community.

Connecticut's current minimum wage of \$8.70 - rising to \$9 in 2015 - is among the highest in the United States. And, with neighboring Massachusetts and New York at \$8, competing businesses in those neighboring states are positioned to have a distinct pricing advantage over us simply based on the disparity in payroll – generally the largest operational expense.

Like most seasonal businesses, we rely largely on high school and college students, who are on our books April through October of each year. While most earn the minimum wage, some returnees and seasonal managers are awarded a higher rate of pay based on work performance, and justly so.

Quassy has, and will continue, to offer seasonal employment to young people - many of whom secure their first work experience with us.

The positions we provide are founded on educating first-time employees, teaching young workers ethics as well as responsibility within the workforce. It is rare that a seasonal employee comes to us for a job to provide sustainable income for his or her family, as some agendas might suggest.

Recently a statement was made that if the state's minimum wage were to increase to \$10.10 in the foreseeable future, it would not hurt businesses.

Nothing could be further from the truth.



As many of us here today know, Connecticut is in the business of trying to compete for business. That is certainly true of our industry, which includes other parks, attractions and accommodations across the state – many of which hire seasonal employees.

Higher operational costs - including minimum wage increases, workers compensation cost, unemployment and mandatory paid sick leave, to name a few – drive up prices across the board, which in many cases are passed on to consumers. We've all seen it at the gas pumps, grocery stores and our utility bills.

However, when it comes to families and their discretionary spending, it's not as simple as just raising prices to offset the costs of doing business.

Families have to do less with less. That means fewer movies, perhaps fewer music and dance lessons, and certainly fewer trips to the amusement park.

Putting more pressure on businesses in the form of increased minimum wages and associated costs equates to fewer seasonal employees. Those on payroll are expected to carry more of a workload. We've witnessed these unfortunate circumstances at the park in recent years.

Opening the doors each day at Quassy has an enormous price tag associated with it – the biggest day-to-day expense is generally payroll.

To validate some of my comments, take into consideration the following:

- \* Each increase in the minimum wage by 25 cents increases our seasonal payroll by \$26,000
- \* The increase in payroll increases our workers compensation costs, unemployment costs, payroll taxes

And factor in the competition to lure vacationers - both state residents and those visiting from out of state. If neighboring states are paying far less in wages, does that not put competing businesses here in Connecticut at a disadvantage? We believe so.

As some of you know, Quassy has made strides in recent years to remain competitive, continue to provide jobs and -most importantly – provide quality family fun at affordable prices.

As a business owner, I find myself doing more and more to keep the scales from tipping the wrong way.

Spiraling minimum wages are not the solution to fixing issues at the local or state level. Each increase does have a negative impact on business.

On behalf of our business, I encourage the committee to help reshape a healthy business climate here in Connecticut.

Respectively submitted,

George Frantzis II  
Quassy Amusement & Waterpark